



County of Los Angeles **CHIEF ADMINISTRATIVE OFFICE**

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May 1, 2003

To: Supervisor Yvonne Brathwaite Burke, Chair
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From: David E. Janssen
Chief Administrative Officer

FEDERAL LEGISLATIVE UPDATE

Allocation of Federal Fiscal Year (FFY) 2003 Homeland Security Grant Funds

On April 30, 2003, the Department of Homeland Security (DHS) announced the allocation of \$1.5 billion in homeland security formula grant funds to states. The funds were appropriated in H.R. 1559, the FFY 2003 supplemental appropriations bill, which was signed into law on April 17, 2003. The \$1.5 billion in formula grants includes:

- \$1.3 billion in first responder grants that are in addition to \$566.3 billion in FFY 2003 first responder grants announced in March; and
- \$200 million for a new "critical infrastructure protection" grant program.

California will receive \$103,355,000 in first responder grants and \$15,901,000 in critical infrastructure protection funds.

H.R. 1559 requires states to pass through at least 80% of first responder grant funds and at least 50% of critical infrastructure protection grant funds to local governments. The bill also requires that funds under both state formula grants be allocated subject to Section 1014 of Public Law 107-56 (the "USA Patriot Act of 2001"), which provides that each state shall receive at least 0.75% of the total amount appropriated in a fiscal year for state and local domestic preparedness.

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DHS allocated the \$1.5 billion using the same methodology it used to allocate the \$566.3 million in first responder grants. That is, DHS used a methodology to meet the statutory small state minimum requirement that resulted in all states receiving at least 0.85% of total funding, and the larger a state's population, the lower its per capita funding. As a result, California received the least funds per capita of any state. California received only 7.95% (\$119,256,000) of the \$1.5 billion in total funding even though California had 12.00% of the total U.S. population as of July 1, 2002. The State's \$119,256,000 allotment includes \$103,355,000 for first responders and \$15,901,000 for critical infrastructure protection.

Counting its \$45,023,000 share of the previously allocated \$566.3 million in grants, California is receiving a combined total of \$164,279,000 in FFY 2003 homeland security formula grants from DHS. As reported in the April 17, 2003 Federal Legislative Update, the County recommended that DHS, instead, allocate funds using the most current population data and the same methodology used in other Federal formula grants to meet statutory small state minimum requirements. Under that methodology, except for small population states whose allotments are increased to the statutory minimum of 0.75% of total funding, all other states would have received the same amount of funds per capita. California's total FFY 2003 funding would have been nearly \$65 million higher using this methodology.

Secretary Ridge's Testimony on the Homeland Security Allocation Formula

DHS Secretary Tom Ridge testified on homeland security funding before the Senate Appropriations Committee on April 30, 2003. The Congressional Quarterly reported that Secretary Ridge indicated that the current formula used to allocate homeland security funds should be changed to target funds based on terrorist threat levels. However, Secretary Ridge reportedly testified that he also supports maintaining a minimum amount for all states under the current formula used by DHS – the very small state minimum that penalizes more populous states, such as California, where terrorist threats are higher. At the hearing, Senator Leahy, who represents Vermont, stated that he wants to make sure that any new formula has a small state minimum requirement.

We will continue to keep you advised of any new developments.

DEJ:GK
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c: Executive Officer, Board of Supervisors
 County Counsel
 All Department Heads
 Legislative Strategist